

7 START AT A COMMUNITY COLLEGE

Save thousands of dollars in tuition and have your general education requirements behind you by starting at a California Community College. You can use financial aid to pay for fees, books and living expenses. Check with your community college to make sure your credits will transfer, if that's your goal. Learn more at www.icanaffordcollege.com.

8 CREDIT FOR EXPERIENCE

If you're a nontraditional student—maybe you didn't go to college right after high school, don't depend on your family for financial support or you're returning to college for career training—you may receive academic credit for your job, volunteer or travel experience through the College-Level Examination Program. For more information, visit www.collegeboard.com/clep. Your college may offer other ways to earn credit for your experience.

9 SCHOLAR-SHARE COLLEGE SAVINGS PLAN

If you have future students at home, you may want to look into California's ScholarShare program that helps families save for college. With ScholarShare, a 529 college savings plan, your money grows federal and state tax free as long as it's used later for qualified college expenses. You can open an account with as little as \$15 when setting up automatic investments. With ScholarShare, you can choose from a number of low-cost investment options. You can use your money at any accredited college nationwide as well as many international schools. Learn more by visiting www.scholarshare.com or calling toll-free 800.544.5248.

10 PART-TIME WORK

A part-time, summer or holiday job can help. Check with your college's employment office first. If you find you're working too many hours and it's affecting your school work, or if you're concerned that a summer job might negatively impact your financial aid awards, see your financial aid office.

11 COMPANY-PAID EDUCATION

Many employers will pay or reimburse you for some or all of your education and training. Some companies and labor unions also provide scholarships for children, and even grandchildren, of employees, so be sure to have your family ask about scholarships available through work.

12 TAX BENEFITS

Plan ahead—you may be able to take advantage of federal tax benefits for education. Most tax benefits have income limits; to learn more about each program, see IRS publication 970, *Tax Benefits for Education*, available at www.irs.gov/publications/p970/index.html or by calling 800.829.3676. Also, be sure to consult a professional tax advisor.

- **Hope and Lifetime Learning Tax Credits** allow you or your parents to subtract a portion of your college costs from the taxes you owe each year when you file your tax return.
- **Tuition and Fees Tax Deduction and Student Loan Interest Deduction** allow you to subtract a portion of your tuition and fees from your taxable income and to deduct up to \$2,500 of the interest you pay on your student loan each year (or on any student loans you take out for your spouse's or child's education).

In addition, funds from your IRA, 529 college savings plan or Coverdell Education Savings Account may be withdrawn without a tax penalty to pay for qualified education expenses. There's also a tax break if you use certain U.S. savings bonds to pay for college.

13 JOBS THAT HELP YOU REPAY YOUR LOANS

Some jobs actually give you both a paycheck and help you pay down your student loans. Unless otherwise noted, you can learn more about the programs below at your college or at www.federalstudentaid.ed.gov:

Health Care Professionals

- Your federal Perkins loan debt may be canceled if you work full time as a nurse or medical technician.
- The federal government may assume your student loan debt if you work as a health professional in an underserved area. Learn more at www.bhpr.hrsa.gov and www.hhs.gov.

SNAPLE NF

- **Eligibility is based on:** If you are a nursing student or practicing nurse, you've completed at least a bachelor's degree in nursing, and you agree to teach nursing at an eligible California college for up to three years.
- **Award amount:** Up to \$25,000
- **How to apply:** State Nursing Assumption Program of Loans for Education for Nursing Faculty (SNAPLE NF) application
- **Other Requirements:** Must have eligible education loans. Apply by June 30.

SNAPLE NSF

- **Eligibility is based on:** If you are a nursing student and you agree to practice nursing at an eligible state facility for up to four years.
- **Award amount:** Up to \$20,000
- **How to apply:** State Nursing Assumption Program of Loans for Education for Nurses in a State Facility (SNAPLE NSF) application
- **Other Requirements:** Must have eligible education loans. Schools submit nominations by June 30.

For more information on SNAPLE programs, visit www.csac.ca.gov.

Child Care Providers

- If you work in a designated child care site or for a Head Start program, your federal Perkins loan debt may be canceled.

National Service Volunteers

- AmeriCorps awards may be used to pay off your federal student loan. Visit www.americorps.gov to learn more. If you serve as a VISTA or Peace Corps volunteer, a portion of your federal Perkins loan debt may be canceled.

Military Personnel/Law Enforcement Officers

- Certain branches of the U.S. Armed Forces offer loan assumption benefits. For more information, visit www.todaysmilitary.com. If you serve in the U.S. Armed Forces in an area of hostility or imminent danger, up to half of your federal Perkins loan debt may be canceled. Contact your college for details.
- If you're a law enforcement officer, you may be eligible to have a portion of your federal Perkins loan debt canceled.

Lawyers

- Some law schools offer loan repayment benefits for graduates who work in public service. Contact your college or visit www.equaljusticeworks.org to learn more.

Federal Employees

- Some U.S. government departments offer loan assumption benefits for employees.

Public Service Employees

- After 10 years of employment in certain public service fields, you may be eligible for forgiveness of any federal student loan debt you have remaining at that time.

Teachers

- See the chart on page 19 for information about APLE and other state and federal loan forgiveness and grant programs for teachers.



Federal Loans: The Smart Way To Borrow

If you don't receive enough free money to pay for college and you aren't able to cover your costs with savings or other resources, there are federal student loans. Your interest rate will be low and you'll usually have up to 10 years to repay, along with other benefits. You can get a federal loan even if you don't have financial need, and there's no credit check. There are also federal loans for parents.

Many lenders offer private loans if you've reached the federal loan borrowing limits, but keep in mind private loans usually have higher interest rates and fewer benefits. If you need to borrow, you should always take out federal loans first.



Whether you receive your federal loan from a lender under the Federal Family Education Loan Program or directly from the federal government under the William D. Ford Federal Direct Loan Program will depend on which program your school participates in. The information here applies to loans under both programs.



Federal Stafford Loans

Federal Stafford loans are the most common student loans and are for students with or without financial need at all types of colleges. To receive federal Stafford loan funds, you must be enrolled at least half time (as determined by your college). There are two kinds of Stafford loans:

Subsidized Stafford Loans

Subsidized Stafford loans are based solely on financial need. The federal government pays the interest while you're in college and during the six-month grace period after you graduate, leave school or enroll less than half time—you'll make no loan payments until your grace period ends. To qualify, you must meet all the requirements for federal aid (see page 5).

Unsubsidized Stafford Loans

Unsubsidized Stafford loans are for all eligible students, regardless of income or assets. You must meet the requirements for federal aid (see page 5), except for demonstrating financial need. You're responsible for paying all the interest on your loan, but you can defer interest payments while in school at least half time. If you do, when repayment begins the interest will be added to the amount you borrowed and future interest costs will be based on the higher loan amount. It's to your advantage to pay the interest while you're in college because you'll pay less interest in the long run.

If you're an independent student, you may be eligible to receive additional unsubsidized Stafford loans to help cover unmet financial need or replace some of your EFC.

A Closer Look at Stafford Loans	
How to apply	First submit the FAFSA; your college's financial aid office will contact you later to sign a master promissory note and complete loan counseling
Interest rate	Fixed at 6.8 percent for the life of the loan (<i>Starting July 1, 2008, the interest rate for new subsidized loans taken out for undergraduate study will gradually drop until 2012 when the rate returns to 6.8 percent</i>)
Fees	Origination or federal default fees of up to 2 percent may be deducted from each loan disbursement
Repayment begins	Six months after you graduate, leave school or enroll less than half time (<i>if you're going to graduate school, you can request to defer payments until you finish your studies</i>)
Enrollment requirement	At least half time
How you'll receive loan funds	Funds are sent directly to your college to pay for tuition, fees, room and board (if applicable); the remainder will be issued to you by your college

